that is, they require an employee to surrender certain rights in order to ''get in the front door.'' As a nation which values work and deplores discrimination, we should not allow this practice to continue.

As I noted Mr. President, the 106th Congress marks the fourth successive Congress in which I have introduced this important legislation. In the past year, we have made some advances addressing the unfair use of mandatory binding arbitration clauses. Due to the attention focused on this issue through this legislation, a hearing in the Banking Committee last session, and a series of articles and editorials in prominent periodicals, the National Association of Securities Dealers (NASD) agreed to remove the mandatory binding arbitration clause from its Form U–4, which all prospective securities dealers sign as a condition of employment. The NASD's decision to remove the binding arbitration clause, however, does not prohibit its constituent organizations from including a mandatory, binding arbitration clause in their own employment agreements, even if it is not mandated by the industry as a whole.

These changes in the securities industry are a positive development, but the trend toward the use of mandatory, binding arbitration clauses in many industries continues. This bill restores the ability of working men and women to pursue their rights in a venue that they choose and therefore restores and reinvigorates the spirit of our nation's civil rights and sexual harassment laws in the context of these employment contracts. I ask my colleagues to join me in supporting this important legislation.

Mr. President, I ask unanimous consent that the text of this legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 121

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Civil Rights Procedures Protection Act of 1999''.

SEC. 2. AMENDMENT TO TITLE VII OF THE CIVIL RIGHTS ACT OF 1964.

Title VII of the Civil Rights Act of 1964 (42 U.S.C. 2000e et seq.) is amended by adding at the end the following new section:

''SEC. 719. EXCLUSIVITY OF POWERS AND PROCEDURES.

''Notwithstanding any Federal law (other than a Federal law that expressly refers to this title) that would otherwise modify any of the powers and procedures expressly applicable to a right or claim arising under this title, such powers and procedures shall be the exclusive powers and procedures applicable to such right or such claim unless after such right or such claim arises the claimant voluntarily enters into an agreement to enforce such right or resolve such claim through arbitration or another procedure.''.

SEC. 3. AMENDMENT TO THE AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967.

The Age Discrimination in Employment Act of 1967 (29 U.S.C. 621 et seq.) is amended—

(1) by redesignating sections 16 and 17 as sections 17 and 18, respectively; and

(2) by inserting after section 15 the following new section 16:

''SEC. 16. EXCLUSIVITY OF POWERS AND PROCEDURES.

''Notwithstanding any Federal law (other than a Federal law that expressly refers to this Act) that would otherwise modify any of the powers and procedures expressly applicable to a right or claim arising under this Act, such powers and procedures shall be the exclusive powers and procedures applicable to such right or such claim unless after such right or such claim arises the claimant voluntarily enters into an agreement to enforce such right or resolve such claim through arbitration or another procedure.''.

SEC. 4. AMENDMENT TO THE REHABILITATION ACT OF 1973.

Section 505 of the Rehabilitation Act of 1973 (29 U.S.C. 794a) is amended by adding at the end the following new subsection:

''(c) Notwithstanding any Federal law (other than a Federal law that expressly refers to this title) that would otherwise modify any of the powers and procedures expressly applicable to a right or claim arising under section 501, such powers and procedures shall be the exclusive powers and procedures applicable to such right or such claim unless after such right or such claim arises the claimant voluntarily enters into an agreement to enforce such right or resolve such claim through arbitration or another procedure.''.

SEC. 5. AMENDMENT TO THE AMERICANS WITH DISABILITIES ACT OF 1990.

Section 107 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12117) is amended by adding at the end the following new subsection:

''(c) Notwithstanding any Federal law (other than a Federal law that expressly refers to this Act) that would otherwise modify any of the powers and procedures expressly applicable to a right or claim based on a violation described in subsection (a), such powers and procedures shall be the exclusive powers and procedures applicable to such right or such claim unless after such right or such claim arises the claimant voluntarily enters into an agreement to enforce such right or resolve such claim through arbitration or another procedure.''.

SEC. 6. AMENDMENT TO SECTION 1977 OF THE REVISED STATUTES.

Section 1977 of the Revised Statutes (42 U.S.C. 1981) is amended by adding at the end the following new subsection:

''(d) Notwithstanding any Federal law (other than a Federal law that expressly refers to this section) that would otherwise modify any of the powers and procedures expressly applicable to a right or claim concerning making and enforcing a contract of employment under this section, such powers and procedures shall be the exclusive powers and procedures applicable to such right or such claim unless after such right or such claim arises the claimant voluntarily enters into an agreement to enforce such right or resolve such claim through arbitration or another procedure.''.

SEC. 7. AMENDMENT TO THE EQUAL PAY REQUIREMENT UNDER THE FAIR LABOR STANDARDS ACT OF 1938.

Section 6(d) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(d)) is amended by adding at the end the following new paragraph:

''(5) Notwithstanding any Federal law (other than a Federal law that expressly refers to this Act) that would otherwise modify any of the powers and procedures expressly applicable to a right or claim arising under this subsection, such powers and procedures shall be the exclusive powers and procedures applicable to such right or such claim unless after such right or such claim arises the claimant voluntarily enters into an agreement to enforce such right or resolve such claim through arbitration or another procedure.''.

SEC. 8. AMENDMENT TO THE FAMILY AND MEDICAL LEAVE ACT OF 1993.

Title IV of the Family and Medical Leave Act of 1993 (29 U.S.C. 2651 et seq.) is amended—

(1) by redesignating section 405 as section 406; and

(2) by inserting after section 404 the following new section:

''SEC. 405. EXCLUSIVITY OF REMEDIES.

''Notwithstanding any Federal law (other than a Federal law that expressly refers to this Act or a provision of subchapter V of chapter 63 of title 5, United States Code) that would modify any of the powers and procedures expressly applicable to a right or claim arising under this Act or under such subchapter such powers and procedures shall be the exclusive powers and procedures applicable to such right or such claim unless after such right or such claim arises the claimant voluntarily enters into an agreement to enforce such right or resolve such claim through arbitration or another procedure.''.

SEC. 9. AMENDMENT TO TITLE 9, UNITED STATES CODE.

Section 14 of title 9, United States Code, is amended—

(1) by inserting ''(a)'' before ''This''; and

(2) by adding at the end the following new subsection:

''(b) This chapter shall not apply with respect to a claim of unlawful discrimination in employment if such claim arises from discrimination based on race, color, religion, sex, national origin, age, or disability.''.

SEC. 10. APPLICATION OF AMENDMENTS.

The amendments made by this Act shall apply with respect to claims arising not later than the date of enactment of this Act.

By Mr. FEINGOLD:

S. 122. A bill to amend title 37, United States Code, to ensure equitable treatment of members of the National Guard and the other reserve components of the United States with regard to eligibility to receive special duty assignment pay, and for other purposes; to the Committee on Armed Services.

NATIONAL GUARD AND RESERVE SPECIAL DUTY ASSIGNMENT PAY EQUITY ACT OF 1999

Mr. FEINGOLD. Mr. President, I rise today to introduce legislation that restores a measure of pay equity for our nation's Guardsmen and Reservists. The men and women who serve in the Guard and Reserves are the cornerstones of our national defense and domestic infrastructure and deserve more than a pat on the back.

Mr. President, as I'm certain my colleagues are well aware, the Guard and Reserve are integral parts of overseas missions, including recent and ongoing missions to Iraq and Bosnia. According to statements by DOD officials, guardsmen and reservists will continue to play an increasingly important role in national defense strategy. The National Guard and Reserves deserve the full support they need to carry out their duties.

National Guard and Reserve members are becoming increasingly relied upon to shoulder more of the burden of military operations. We need to compensate our citizen-soldiers for this increasing reliance on the Reserve forces. Mr. President, this boils down to an issue of fairness.

Mr. President, my bill would correct special duty assignment pay inequities between the Reserve components and the active duty. These inequities should be corrected to take into account the National Guard and Reserves' increased role in our national security, especially on the front lines. Given the increased use of the Reserve components and DOD's increased reliance on them, Reservists deserve fair pay. My bill states that a Reservist who is entitled to basic pay and is performing special duty be paid special duty assignment pay.

Mr. President, right now, Reservists are getting shortchanged despite the vital role they play in our national defense. The special duty assignment pay program ensures readiness by compensating specific soldiers who are assigned to duty positions that demand special training and extraordinary effort to maintain a level of satisfactory performance. The program, as it stands now, effectively reduces the ability of the National Guard and Reserve to retain highly dedicated and specialized soldiers.

The special duty assignment pay program provides an additional monthly financial incentive paid to enlisted soldiers and airmen who are required to perform extremely demanding duties that require an unusual degree of responsibility. These special duty assignments include certain command sergeants major, guidance counselors, retention non-commissioned officers (NCO's), drill sergeants, and members of the Special Forces. These soldiers, however, do not receive special duty assignment pay while in an IDT status (drill weekends).

Between fiscal years 1998 and 1999, spending for the program was cut by $1.6 million, which has placed a fiscal restraint on the number of personnel the Army National Guard is able to provide for under this program. These soldiers deserve better.

Mr. President, this bill is paid for by terminating the ineffective, unnecessary, outdated Cold War relic known as Project ELF, or the Extremely Low Frequency Communication System, which costs approximately $12 million per year.

Mr. President, the differences in pay and benefits are particularly disturbing since National Guard and Reserve members give up their civilian salaries during the time they are called up or volunteer for active duty.

As I'm sure all my colleagues have heard, the President will propose an enormous boost in defense spending over the next six years; an increase of $12 billion for fiscal year 2000 and about $110 billion over the next six years. I have tremendous reservations about spending hikes of this magnitude, but have no such reservations in supporting this nation's citizen-soldiers. The National Guard and Reserve deserve pay and benefit equity and that means paying them what they're worth.

Mr. President, according to the National Guard, shortfalls in the operations and maintenance account compromise the Guard's readiness levels, capabilities, force structure, and end strength. Failing to fully support these vital areas will have both direct and indirect effects. The shortfall puts the Guard's personnel, schools, training, full-time support, and retention and recruitment at risk. Perhaps more importantly, however, it erodes the morale of our citizen-soldiers.

Over these past years, the Administration has increasingly called on the Guard and Reserves to handle wider-ranging tasks, while simultaneously offering defense budgets with shortfalls of hundreds of millions of dollars. These shortfalls have increasingly greater effect given the guard and reserves' increased operations burdens. This is a result of new missions, increased deployments, and training requirements.

Earlier this month, Charles Cragin, the assistant secretary of defense for reserve affairs, presented DOD's position with regard to the department's working relationship with the National Guard and Reserve. He stated that all branches of the military reserves will be called upon more frequently as the nation pares back the number of soldiers on active duty. This has clearly been DOD's policy for the past few years, but Mr. Cragin went a little further by stating that the reserve units can no longer be considered ''weekend warriors'' but primary components of national defense.

Mr. President, in the past, DOD viewed the armed forces as a two-pronged system, with active-duty troops being the primary prong, reinforced by the Reserve component. That strategy has changed with the downsizing of active forces. Defense officials now see reserves as part of the ''total force'' of the military.

The National Guard and Reserves will be called more frequently to active duty for domestic support roles and abroad in various peace-keeping efforts. They will also be vital players on special teams trained to deal with weapons of mass destruction deployed within our own borders. According to many military experts, this represents a more salient threat to the United States than the threat of a ballistic missile attack that many of my colleagues have spent so much time addressing.

As I'm sure my colleagues know by now, the Army National Guard represents a full 34 percent of total army forces, including 55 percent of combat divisions and brigades, 46 percent of combat support, and 25 percent of combat service support, yet receives just 9.5 percent of Army funds.

Mr. President, it should come as no surprise that we have failed to invest fully in the National Guard. It's no surprise because it's the best bargain in the Defense Department. DOD has never been known as a frugal department. From $436 hammers to $640 toilet seats to $2 billion bombers that don't work and the department doesn't seem to want to use, the Department of Defense has a storied history of wasting our tax dollars. Here is an opportunity to spend defense dollars on something that works, that is worthwhile, and enjoys broad support on both sides of the aisle.

The National Guard fits the bill. According to a National Guard study, the average cost to train and equip an active duty soldier is $73,000 per year, while it costs $17,000 per year to train and equip a National Guard soldier. The cost of maintaining Army National Guard units is just 23 percent of the cost of maintaining Active Army units. It is time for the Pentagon to quit complaining about lack of funding and begin using their money more wisely and efficiently.

Mr. President, I have had the opportunity to see some of these soldiers off as they embarked on these missions and have welcomed them home upon their return, and I have been struck by the courage and professionalism they display. Guardsmen and Reservists have been vital on overseas missions, and here at home. In Wisconsin, the State Guard provides vital support during state emergencies, including floods, ice storms, and train derailments.

Mr. President, we have a duty to honor the service of our National Guardsmen and Reservists. One way to do that is to adequately compensate them for their service. I hope my colleagues agree that our citizen-soldiers serve an invaluable role in our national defense, and their paychecks should reflect their contribution.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 122

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Guard and Reserve Special Duty Assignment Pay Equity Act of 1999''.

SEC. 2. ENTITLEMENT OF RESERVES NOT ON ACTIVE DUTY TO RECEIVE SPECIAL DUTY ASSIGNMENT PAY.

(a) AUTHORITY.—Section 307(a) of title 37, United States Code, is amended by inserting after ''is entitled to basic pay'' in the first sentence the following: '', or is entitled to compensation under section 206 of this title in the case of a member of a reserve component not on active duty,''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the first day of the first month that begins on or after the date of the enactment of this Act.

SEC. 3. OFFSET OF COST BY TERMINATION OF THE OPERATION OF THE EXTREMELY LOW FREQUENCY COMMUNICATION SYSTEM OF THE NAVY.

(a) TERMINATION REQUIRED.—The Secretary of the Navy shall terminate the operation of the Extremely Low Frequency Communication System of the Navy.

(b) MAINTENANCE OF INFRASTRUCTURE.—The Secretary shall maintain the infrastructure necessary for resuming operation of the Extremely Low Frequency Communication System.

(c) EXCESS SAVINGS TO BE CREDITED TO DEFICIT REDUCTION.—To the extent, if any, that the amount of expenditures forgone for a fiscal year for the operation of the Extremely Low Frequency Communication System by reason of this section exceeds the increased cost of paying special duty assignment pay in that fiscal year as a result of the amendment made by section 2, the excess amount shall be credited to budget deficit reduction for that fiscal year.

By Mr. FEINGOLD:

S. 123. A bill to phase out Federal funding of the Tennessee Valley Authority; to the Committee on Environment and Public Works.

TENNESSEE VALLEY AUTHORITY

Mr. FEINGOLD. Mr. President, today I am introducing legislation, similar to bills I offered in the two previous Congresses, to terminate funding for the non-power programs of the Tennessee Valley Authority (TVA). In FY 99, after terminating funding for these programs in the FY 99 Energy and Water Appropriations bill, the Congress revived funding for these programs in the Omnibus Appropriations measure.

The TVA was created in 1933 as a government-owned corporation for the unified development of a river basin comprised of parts of seven states. Those activities included the construction of an extensive power system, for which the region is now famous, and regional development or ''non-power'' programs. TVA's responsibilities in the non-power programs include maintaining its system of dams, reservoirs and navigation facilities, and managing TVA-held lands. In addition, TVA provides recreational programs, makes economic development grants to communities, promotes public use of its land and water resources, and operates an Environmental Research Center. Only the TVA power programs are intended to be self-supporting, by relying on TVA utility customers to foot the bill. The cost of these ''non-power'' programs, on the other hand, is covered by appropriated taxpayer funds.

This legislation terminates funding for all appropriated programs of the TVA after FY 2000. While I understand the role that TVA has played in our history, I also know that we face tremendous federal budget pressure to reduce spending in many areas. I believe that TVA's discretionary funds should be on the table, and that Congress should act, in accordance with this legislation, to put the TVA appropriated programs on a glide path toward dependence on sources of funds other than appropriated funds. This legislation is a reasonable phased-in approach to achieve this objective, and explicitly codifies both prior recommendations made by the Administration and the TVA Chairman.

We should terminate TVA's appropriated programs because there are lingering concerns, brought to light in a 1993 Congressional Budget Office (CBO) report, that non-power program funds subsidize activities that should be paid for by non-federal interests. When I ran for the Senate in 1992, I developed an 82+ point plan to eliminate the federal deficit and have continued to work on the implementation of that plan since that time. That plan includes a number of elements in the natural resource area, including the termination of TVA's appropriations-funded programs.

In its 1993 report, CBO focused on two programs: the TVA Stewardship Program and the Environmental Research Center, which no longer receives federal funds. Stewardship activities receive the largest share of TVA's appropriated funds. The funds are used for dam repair and maintenance activities. According to 1995 testimony provided by TVA before the House Subcommittee on Energy and Water Appropriations, when TVA repairs a dam it pays 70%, on average, of repair costs with appropriated dollars and covers the remaining 30% with funds collected from electricity ratepayers.

This practice of charging a portion of dam repair costs to the taxpayer, CBO highlighted, amounts to a significant subsidy. If TVA were a private utility, and it made modifications to a dam or performed routine dredging, the ratepayers would pay for all of the costs associated with that activity.

Despite CBO's charges that a portion of the Stewardship funds may be subsidizing the power program, I have heard from a number of my constituents who are concerned that some of the TVA's non-power activities are critical federal functions. In order to be certain that Congress would be acting properly to terminate certain functions while preserving others under TVA or transferring them to other federal agencies, this bill directs OMB to study TVA's non-power programs. That study, which must be completed by June 1, 1999, requires OMB to evaluate TVA's non-power programs, describe which of those are necessary federal functions, and recommend whether those which are federal functions should be performed by TVA or by another agency. That way, Mr. President, Congress will be fully informed before making a final decision to terminate these funds.

Again, while I understand the important role that TVA played in the development of the Tennessee Valley, many other areas of the country have become more creative in federal and state financing arrangements to address regional concerns. Specifically, in those areas where there may be excesses within TVA, I believe we can do better to curb subsidies and eliminate the burden on taxpayers without completely eliminating the TVA, as some in the other body have suggested.

I ask unanimous consent that the full text of this measure be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 123

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TENNESSEE VALLEY AUTHORITY.

(a) DISCONTINUANCE OF APPROPRIATIONS.—Section 27 of the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831z), is amended by inserting ''for fiscal years through fiscal year 2000'' before the period.

(b) PLAN.—Not later than June 1, 1999, the Director of the Office of Management and Budget shall develop and submit a plan to Congress that—

(1) reviews the non-power activities conducted by the Tennessee Valley Authority using appropriated funds; and

(2) determines whether the non-power activities performed by the Tennessee Valley Authority can be adequately performed by other federal agencies, and if so, describes the resources needed by other agencies to perform such activities; and

(3) describes on-going federal interest in the continuation of the non-power activities currently performed by the Tennessee Valley Authority; and

(4) recommends any legislation that may be appropriate to carry out the objectives of this Act.

By Mr. FEINGOLD:

S. 124. A bill to amend the Agricultural Adjustment Act to prohibit the Secretary of Agriculture from basing minimum prices for Class I milk on the distance or transportation costs from any location that is not within a marketing area, except under certain circumstances, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

ABOLISHING THE ANTI-EAU CLAIRE RULE

Mr. FEINGOLD. Mr. President, I rise today to offer a measure which will serve as a first step towards eliminating the inequities borne by the dairy farmers of Wisconsin and the upper Midwest under the Federal Milk Marketing Order system. The Federal Milk Marketing Order system, created nearly 60 years ago, establishes minimum prices for milk paid to producers throughout various marketing areas in the U.S. For sixty years, this system has discriminated against producers in the Upper Midwest by awarding a high price to dairy farmers in proportion to the distance of their farms from Eau Claire, Wisconsin.

This legislation is very simple. It identifies the single most harmful and unjust feature of the current system, and corrects it.

Under the current archaic law, the price for fluid milk increases at a rate of 21 cents per hundred miles from Eau Claire, Wisconsin, even though most milk marketing orders do not receive any milk from Wisconsin. Fluid milk prices, as a result, are $2.98 higher in Florida than in Wisconsin and over $1.00 higher in Texas. This method of pricing fluid milk is not only arbitrary, but also out of date and out of sync

with the market conditions of 1999. It is time for this method of pricing—known as single-basing-point pricing—to come to an end.

The bill I introduce today will prohibit the Secretary of Agriculture from using distance or transportation costs from any location as the basis for pricing milk, unless significant quantities of milk are actually transported from that location into the recipient market. The Secretary will have to comply with the statutory requirement that supply and demand factors be considered as specified in the Agricultural Marketing Agreement Act when setting milk prices in marketing orders. The fact remains that single-basing-point pricing simply cannot be justified based on supply and demand for milk both in local and national markets.

This bill also requires the Secretary to report to Congress on specifically which criteria are used to set milk prices. Finally, the Secretary will have to certify to Congress that the criteria used by the Department do not in any way attempt to circumvent the prohibition on using distance or transportation cost as basis for pricing milk.

This one change is so crucial to Upper Midwest producers, because the current system has penalized them for many years. By providing disparate profits for producers in other parts of the country and creating artificial economic incentives for milk production, Wisconsin producers have seen national surpluses rise, and milk prices fall. Rather than providing adequate supplies of fluid milk in some parts of the country, the prices have led to excess production.

The prices have provided production incentives beyond those needed to ensure a local supply of fluid milk in some regions, leading to an increase in manufactured products in those marketing orders. Those manufactured products directly compete with Wisconsin's processed products, eroding our markets and driving national prices down.

The perverse nature of this system is further illustrated by the fact that since 1995 some regions of the U.S., notably the Central states and the Southwest, are producing so much milk that they are actually shipping fluid milk north to the Upper Midwest. The high fluid milk prices have generated so much excess production, that these markets distant from Eau Claire are now encroaching upon not only our manufactured markets, but also our markets for fluid milk, further eroding prices in Wisconsin.

The market distorting effects of the fluid price differentials in federal orders are manifest in the Congressional Budget Office estimate that eliminating the orders would save $669 million over five years. Government outlays would fall, CBO concludes, because production would fall in response to lower milk prices and there would be fewer government purchases of surplus milk. The regions which would gain and lose in this scenario illustrate the discrimination inherent to the current system. Economic analyses show that farm revenues in a market undisturbed by Federal Orders would actually increase in the Upper Midwest and fall in most other milk-producing regions.

The data clearly show that Upper Midwest producers are hurt by distortions built into a single-basing-point system that prevent them from competing effectively in a national market.

While this system has been around since 1937, the practice of basing fluid milk price differentials on the distance from Eau Claire was formalized in the 1960's, when the Upper Midwest arguably was the primary reserve for additional supplies of milk. The idea was to encourage local supplies of fluid milk in areas of the country that did not traditionally produce enough fluid milk to meet their own needs.

Mr. President, that is no longer the case. The Upper Midwest is neither the lowest cost production area nor a primary source of reserve supplies of milk. In many of the markets with higher fluid milk differentials, milk is produced efficiently, and in some cases, at lower cost than the upper Midwest. Unfortunately, the prices didn't adjust with changing economic conditions, most notably the shift of the dairy industry away from the Upper Midwest and towards the Southwest, specifically California, which now leads the nation in milk production.

Fluid milk prices should have been lowered to reflect that trend. Instead, in 1985, the prices were increased for markets distant from Eau Claire. USDA has refused to use the administrative authority provided by Congress to make the appropriate adjustments to reflect economic realities. They continue to stand behind single-basing-point pricing.

The result has been a decline in the Upper Midwest dairy industry, not because they can't produce a product that can compete in the market place, but because the system discriminates against them. Since 1980, Wisconsin has lost over 15,000 dairy farmers. Today, Wisconsin loses dairy farmers at a rate of 5 per day. The Upper Midwest, with the lowest fluid milk prices, is shrinking as a dairy region despite the dairy-friendly climate of the region. Other regions with higher fluid milk prices are growing rapidly.

In an unregulated market with a level playing field, these shifts in production might be fair. But in a market where the government is setting the prices and providing that artificial advantage to regions outside the Upper Midwest, the current system is unconscionable.

This bill is a first step in reforming federal orders by prohibiting a grossly unfair practice that should have been dropped long ago. Although I understand that, because of mandates in the 1996 Farm Bill, the USDA is currently deliberating possible changes to the current system, one of the options being considered maintains this debilitating single-basing-point pricing system. This bill is the beginning of reform. It identifies the one change that is absolutely necessary in any outcome—the elimination of single-basing-point pricing.

I urge the Secretary of Agriculture to do the right thing and bring reform to this out-dated system. No proposal is reform without this important policy change.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 124

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. LOCATION ADJUSTMENTS FOR MINIMUM PRICES FOR CLASS I MILK.

Section 8c(5) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(1) in paragraph (A)—

(A) in clause (3) of the second sentence, by inserting after ''the locations'' the following: ''within a marketing area subject to the order''; and

(B) by striking the last 2 sentences and inserting the following: ''Notwithstanding subsection (18) or any other provision of law, when fixing minimum prices for milk of the highest use classification in a marketing area subject to an order under this subsection, the Secretary may not, directly or indirectly, base the prices on the distance from, or all or part of the costs incurred to transport milk to or from, any location that is not within the marketing area subject to the order, unless milk from the location constitutes at least 50 percent of the total supply of milk of the highest use classification in the marketing area. The Secretary shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the criteria that are used as the basis for the minimum prices referred to in the preceding sentence, including a certification that the minimum prices are made in accordance with the preceding sentence.''; and

(2) in paragraph (B)(c), by inserting after ''the locations'' the following: ''within a marketing area subject to the order''.

By Mr. FEINGOLD (for himself and Mr. MCCAIN):

S. 125. A bill to reduce the number of executive branch political appointees; to the Committee on Governmental Affairs.

REDUCING THE NUMBER OF EXECUTIVE BRANCH POLITICAL APPOINTMENTS

Mr. FEINGOLD. Mr. President, I am pleased to be joined by my good friend the senior Senator from Arizona (Mr. MCCAIN) in introducing legislation to reduce the number of presidential political appointees. Specifically, the bill caps the number of political appointees at 2,000. The Congressional Budget Office (CBO) estimates this measure